THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) It has been decided by Government to set up a non-lapsable fund for elementary education entitled 'Prarambhik Shiksha Kosh'. As per RE 2004-05, an amount of Rs. 5010 crore is estimated to have been received through 'Education Cess' in the year 2004-05. Budget 2005-06 assumes Rs. 6975 crore as receipts through 'Education Cess'. The decision to set up Prarambhik Shiksha Kosh is reflective of the intention of Government to earmark receipts from Education Cess for elementary education. The accounting of the Kosh in the public account reflects this commitment.

Emoluments to officers of public sector banks

*316. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

. (a) whether the emoluments of the officers and staff of the public sector banks have been increased with effect from 2002;

(b) if so, the exact date from which the increase has been made effective and the quantum of increase given both to officers and staff, separately;

(c) whether any increase has been allowed for the pensioners both regular and those retired under Voluntary Retirement Scheme of these banks before 2002; and

(d) if so, the extent thereof and the date from which implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) The increase has been made effective from 1.11.2002. As reported by the Indian Banks' Association (IBA), the average per capita gross increase per month is as follows:

Officers - Rs 3628/-

Clerks - Rs 2217/-Sub-

staff - Rs1371/-

(c) and (d) As per IBA, in the case of retirees prior to 2002, the pension will be revised w.e.f. 1st May 2005 taking the average of pay drawn by them in the last 10 months prior to their retirement. No arrears of pension or difference in commuted value of pension would be payable to the retirees.

Impact of oil prices on foreign exchange reserve

†316. SHRIMATI PREMACARIAPPA:
SHRI JANARDAN DWIVEDI:

Will the Minister of FINANCE be pleased to state:

(a) the impact of skyrocketing oil prices and bountiful increase in import of non-oil items every year on the foreign exchange reserves;

(b) what is the decrease/increase in the foreign exchange reserve in the last two years; and

(c) the details of steps taken by Government to enhance the foreign exchange reserve?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Foreign exchange reserves of a country, at any given point in time, represent the net outcome of transactions in the current and capital accounts of the country's balance of payments. Merchandise imports (i.e. oil and non-oil) constitute a part of current account transactions. Notwithstanding the rise in oil and non-oil imports in recent years, India's foreign exchange reserves have continued to increase due to robust growth of merchandise exports and buoyant invisibles and capital inflows, the overall balance of payments position, as reflected by the increase/ decrease in foreign exchange reserves, continued to be comfortable with Such reserves increasing by US$ 36.9 billion in 2003-04 and US$ 28.6 billion in 2004-05, respectively.

(c) The broad principles guiding India's foreign exchange reserves management includes a policy of maintaining a level of foreign exchange reserves, which takes into account not only anticipated current account deficits, but also liquidity-at-risk arising from unanticipated capital movements. Taking these factors into account, India's foreign exchange reserves continue adequate and comfortable.

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†Original notice of the question was received in Hindi.